

## CONFERENCE COMMITTEE REPORT DIGEST

House Bill No. 753 by Representative Richmond

Digest of Bill as Finally Passed by the House

Richmond

HB No. 753

Present law provides that the maximum amount of qualified low-income community investments that may be issued by a single business, on an aggregate basis with all of its affiliates, and be included in the calculation of the fraction described in R.S. 47:6016(B)(1)(b) for qualified equity investments issued after April 1, 2008, whether to one or more issuers of qualified equity investments, shall not exceed \$5 million.

Proposed law retains present law and changes the date the investment must be issued from on or after April 1, 2008, to on or after April 1, 2008, and before October 1, 2009.

Proposed law provides that the maximum amount of qualified low-income community investments that may be issued by a single business, on an aggregate basis with all of its affiliates, and be included in the calculation of the fraction described in R.S. 47:6016(B)(1)(b) for qualified equity investments issued after October 1, 2009, whether to one or more issuers of qualified equity investments, shall not exceed \$7.5 million.

Proposed law requires the Dept. of Economic Development to grant or deny a request for certification as an investment consistent with the target industries no more than 60 days after the request is submitted. If the request is not denied within 30 days, the request is deemed to be granted.

Present law defines "applicable percentage" as the following:

(1) For qualified equity investments issued to taxpayers before July 1, 2007:

- (a) 1% for the first three credit allowance dates.
- (b) 2% for the remainder.

(2) For qualified equity investments issued to taxpayers after July 1, 2007:

- (a) 10% for the first two credit allowance dates.
- (b) 5% for the remainder.

Present law provides that the aggregate amount of credit for all qualified equity investments issued to taxpayers on or after April 1, 2008, shall not exceed \$50 million dollars in the aggregate based on the following schedule:

- (1) \$25 million between April 1, 2008, and Dec. 31, 2008.
- (2) \$12.5 million, plus any unissued credits from any prior taxable year, between Jan. 1, 2009, and Dec. 31, 2009.
- (3) \$12.5 million, plus any unissued credits from any prior taxable year, between Jan. 1, 2010, and Dec. 31, 2010.

Proposed law retains present law but changes the dates for issuance of tax credits on the schedule as follows:

- (1) \$12.5 million, plus any unissued credits from any prior taxable year, between Jan. 1, 2009, and Sept. 30, 2009.

- (2) \$12.5 million, plus any unissued credits from any prior taxable year, between Oct. 1, 2009, and Dec. 31, 2010.

Proposed law requires that all tax credit requests received on the same business day be treated as received at the same time, and if the aggregate amount of requests received on a single business day exceed the total amount of available tax credits, tax credits shall be approved on a pro rata basis.

Proposed law adds requirement that the secretary of the Dept. of Economic Development must review all applications for tax credits and provide a response no more than 60 days after submission of the application.

Proposed law adds that no credit issued on or after Oct. 1, 2009, shall be claimed on a return due on or before Dec. 31, 2010.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6016(B)(1)(c) and (2) and (E))

Summary of Amendments Adopted by the Senate

Senate Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the Reengrossed Bill.

1. Changes the date the investment must be issued from on or after April 1, 2008, and before Oct. 1, 2009 to on or after April 1, 2008 and before Dec. 1, 2009.
2. Changes the date for issuance of qualified equity investments from Oct. 1, 2009 to Dec. 1, 2009.
3. Changes the time the Dept. of Economic Development must grant or deny a request for certification from no more than 60 days after the request is submitted to no more than 60 days after the request is received.
4. Provides that \$12.5 million, plus any unissued credits from any prior taxable year, in tax credits shall be available for issuance between Jan. 1, 2009, and Nov. 30, 2009.
5. Provides that \$12.5 million, plus any unissued credits from any prior taxable year, in tax credits shall be available for issuance between Dec. 1, 2009, and Dec. 31, 2010.
6. Adds requirement that the secretary of the Dept. of Economic Development must review all applications for tax credits and provide a response no more than 60 days after receipt of a completed application.
7. Changes the deadline for issuance of tax credits from Oct. 1, 2009 to Dec. 1, 2009.

Senate Floor Amendments to the Reengrossed Bill.

1. Adds provision that unissued, disallowed or recaptured credits from any prior taxable year, and any unissued, disallowed or recaptured credits for any prior issuance period for which valid applications exceeded the authorized issuance amount, shall be available for issuance during the period beginning June 1, 2009 and ending Nov. 30, 2009.
2. Provides that for any qualified investment issued on or after May 31, 2009, but before Dec. 1, 2009, the maximum amount of qualified low-income

community investments that may be issued by a single business, on an aggregate basis with all of its affiliates, shall not exceed \$7.5 million.

Digest of Bill as Proposed by Conference Committee

Present law provides that the maximum amount of qualified low-income community investments that may be issued by a single business, on an aggregate basis with all of its affiliates, and be included in the calculation of the fraction described in R.S. 47:6016(B)(1)(b) for qualified equity investments issued after April 1, 2008, whether to one or more issuers of qualified equity investments, shall not exceed \$5 million.

Proposed law retains present law and changes the date the investment must be issued from on or after April 1, 2008, to on or after April 1, 2008, and before Dec. 1, 2009.

Proposed law provides that the maximum amount of qualified low-income community investments that may be issued by a single business, on an aggregate basis with all of its affiliates, and be included in the calculation of the fraction described in R.S. 47:6016(B)(1)(b) for qualified equity investments issued after Dec. 1, 2009, whether to one or more issuers of qualified equity investments, shall not exceed \$7.5 million.

Proposed law requires the Dept. of Economic Development to grant or deny a request for certification as an investment consistent with the target industries no more than 60 days after receipt of the request. If the request is not denied within 60 days, the request is deemed to be granted.

Present law defines "applicable percentage" as the following:

(1) For qualified equity investments issued to taxpayers before July 1, 2007:

- (a) 1% for the first three credit allowance dates.
- (b) 2% for the remainder.

(2) For qualified equity investments issued to taxpayers after July 1, 2007:

- (a) 10% for the first two credit allowance dates.
- (b) 5% for the remainder.

Present law provides that the aggregate amount of credit for all qualified equity investments issued to taxpayers on or after April 1, 2008, shall not exceed \$50 million dollars in the aggregate based on the following schedule:

- (1) \$25 million between April 1, 2008, and Dec. 31, 2008.
- (2) \$12.5 million, plus any unissued credits from any prior taxable year, between Jan. 1, 2009, and Dec. 31, 2009.
- (3) \$12.5 million, plus any unissued credits from any prior taxable year, between Jan. 1, 2010, and Dec. 31, 2010.

Proposed law retains present law but changes the dates for issuance of tax credits on the schedule as follows:

- (1) \$12.5 million, plus any unissued credits from any prior taxable year, between Jan. 1, 2009, and Nov. 30, 2009.
- (2) \$12.5 million, plus any unissued credits from any prior taxable year, between Dec. 1, 2009, and Dec. 31, 2010.

Proposed law requires that all tax credit requests received on the same business day be treated as received at the same time, and if the aggregate amount of requests received on a single business day exceed the total amount of available tax credits, tax credits shall be approved on a pro rata basis.

Proposed law adds requirement that the secretary of the Dept. of Economic Development must review all applications for tax credits and provide a response no more than 60 days after receipt of an application. If a delay in the processing of the application is attributable to the applicant, the 60-day time limit shall be suspended.

Proposed law adds that no credit issued on or after Dec. 1, 2009, shall be claimed on a return due on or before Dec. 31, 2010.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6016(B)(1)(c) and (2) and (E))